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BEFORE THE ARIZONA CORPORATION COMMISSION 2002 NOV 20 P 12: 01

Docket No.

WILLIAM A. MUNDELL **CHAIRMAN** JIM IRVIN

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ARIZONA CORP. COMM. TUCSON, AZ.

IN THE MATTER OF THE APPLICATION OF VOYAGER WATER COMPANY FOR AN EXTENSION OF THE SERVICE AREA UNDER ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER UTILITY SERVICES

REQUEST FOR EXTENSION OF TIME

TO FILE ADWR ASSURED WATER SUPPLY AND ADEO APPROVALS TO CONSTRUCT

W-02104A-01-0742

On January 31, 2002, the Arizona Corporation Commission filed its Opinion and Order/Decision No. 64406 ("Order") approving the application of Voyager Water Company ("Voyager") for an extension of the service area under its Certificate of Convenience and Necessity ("CC&N") to include the area described in Exhibit A attached to the Order, subject to the condition of Voyager's filing within 365 days of January 31, 2001, copies of (1) either a Certificate of Assured Water Supply or a Designation of Assured Water Supply issued by the Arizona Department of Water Resources ("ADWR") covering the entire requested extension area and (2) the Arizona Department of Environmental Quality Approvals to Construct for the water utility system improvements necessary to serve the Diamond Ventures, Inc. development and the Voyager RV Resort, LLC development in the extension area.

On October 11, 2002, ADWR issued an Analysis of Assured Water Supply to WPI & Kolb-110, L.L.C., the owners of the land added to the CC&N, which may be used to demonstrate that certain requirements for a Certificate of Assured Water Supply have been met, a copy of which is

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attached as Exhibit "A" to this filing.

Nevertheless, until subdivision plats can be submitted to the Department of Water Resources, no assured water supply finding can be finalized. Further, subdivision plats have been held back in anticipation of action on rezoning applications: shortly after the Commission's decision was rendered, the landowners sought a rezoning of the property to be included within the CC&N, which applications have not yet been acted upon by the City of Tucson. Currently, the landowners expect the rezoning to be complete by May of 2003.

Further, Voyager is unable to provide Approvals to Construct because the final parameters of the development await action by the City of Tucson. Voyager does not expect to obtain the final Certificate of Assured Water Supply, until November 1, 2003. Consequently, Voyager requests an extension of time until November 1, 2003 to file the Certificate or Designation of Assured Water Supply and the Approvals to Construct.

Dated: November 15, 2002.

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Respectfully submitted,

VOYAGER WATER COMPANY

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Bv

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ARIZONA DEPARTMENT OF WATER RESOURCES

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JANE DEE HULL Governor

JOSEPH C. SMITH Director

ANALYSIS OF ASSURED WATER SUPPLY

October 11, 2002

File Number:

28-400732

Development:

Voyager Expansion

Location:

Township 15 South, Range 15 East, Section 32

Pima County, Arizona

Tucson AMA

Land Owner:

WPI & Kolb-I10 L.L.C/Voyager RV Resort L.L.C.

The Arizona Department of Water Resources has evaluated the Analysis of Assured Water Supply application for Voyager Expansion pursuant to A.A.C. R12-15-712. The proposed development includes 1200 single-family residential lots, 40 multifamily units, and 7 non-residential acres. Non-residential use is a 9-hole chipping golf course. Voyager Water Company will serve the master plan. Conclusions of the review are indicated below based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701 et seq.

Physical, Continuous, and Legal Availability of Water for 100 Years
 A new hydrology study was submitted with this application that demonstrated physical availability of 845 acre-feet per year within the existing service area. After accounting for current and committed demands of 35.7 acre feet per year, and accounting for this application's demand of 449.3 acre-feet per year, 360 acre-feet per year remains available for assured supply purposes.

The application for Analysis of Assured Water Supply included a Notice of Intent to Serve form signed by Ike Isaacson, Manager-Owner of Voyager Water Company. The Arizona Corporation Commission approved the extension of the Certificate of Convenience & Necessity for Voyager Water Company on January 31, 2002. Individual Notices of Intent to Serve will be required for each application for a Certificate of Assured Water Supply.

Adequate Water Quality

The Department received a compliance status report from the Arizona Department of Environmental Quality dated May 16, 2002 that states that there are no major deficiencies by Voyager Water Company. This requirement of an Analysis of Assured Water Supply will be reevaluated for each application for a Certificate of Assured Water Supply.

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• Consistency with the Management Plan for the Tucson Active Management Area
The residential water use was estimated using models for new development from the
Tucson AMA Third Management Plan. Non-residential water use is from a 9-hole
chipping golf course using 4.6 acre-feet per acre for a total of 32.2 acre-feet annually. Lost
and unaccounted for water of 10% was added to the total demand.

Voyager Expansion will incorporate public irrigation systems designed to minimize loss, landscaping of model homes with low water use landscaping and low water use plants in public rights-of-way in conformance with the Third Management Plan. Proper meter maintenance and record keeping as well as oversight of water main construction will be practiced by the water company.

Consistency with the Management Goal of the Tucson Active Management Area
The Assured and Adequate Water Supply Rules (A.A.C. § R12-15-705) allocate a volume
of mined groundwater to each new subdivision plat in an AMA. Any water deliveries in
excess of this mined groundwater allowance must be met through the direct or indirect use
of renewable water supplies (surface water or effluent). Options for demonstrating
consistency with the management goal include: 1) direct use of surface water or effluent;
2) recharge and recovery of surface water or effluent; or 3) membership in the Central
Arizona Groundwater Replenishment District (CAGRD). In addition, the groundwater
allowance may be increased by extinguishing grandfathered groundwater rights. Prior to
preparing an application for a Certificate of Assured Water Supply for an individual
subdivision plat, the Tucson AMA Office or the Office of Assured Water Supply may be
contacted for further guidance.

The application indicates that the proposed development will be a member land of the Central Arizona Groundwater Replenishment District (CAGRD) upon issuance of a Certificate of Assured Water Supply. The membership documents must be executed and recorded before a Certificate of Assured Water Supply will be issued. The 100-year volume on the application of 39,189 AF consists of 100% groundwater.

Financial Capability of the Owner to Construct the Necessary Distribution System
Pursuant to A.A.C. R12-15-707, financial capability will be evaluated by the local platting
authority as a part of the process for obtaining a Certificate of Assured Water Supply for
each subdivision. The application for a Certificate of Assured Water Supply includes a
Verification of Construction Assurance for a Proposed Subdivision form. This form must
be signed by the appropriate platting entity to provide evidence of financial capability.
This requirement of an assured water supply will be evaluated upon application for a
Certificate of Assured Water Supply.

The term of this Analysis of Assured Water Supply is ten years from the date of application (May 2, 2002) and may be renewed upon request, subject to approval by the Department. Throughout the term of this determination, the projected demand of this development will be considered when reviewing other requests

Analysis of Assured Water Supply Voyager Expansion October 11, 2002 Page 3

for assured water supply in the area.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Certificate of Assured Water Supply must be obtained for each subdivision plat. The findings of this Analysis of Assured Water Supply may be used to demonstrate that certain requirements for a Certificate have been met. This determination may be invalidated if the development plan or other conditions change prior to filing for a Certificate of Assured Water Supply.

Questions may be directed to the Tucson AMA Office at (520) 770-3800, or the Office of Assured Water Supply at (602) 417-2465.

Jim Holway, Assistant Director/ Groundwater Management Division

Doug Dunham, Office of Assured Water Supply Karen Modesto, Hydrology Division

Cliff Neal, CAGRD

cc: